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Subject: [EXTERNAL] April 12, 2022 BOS agenda item 6.8

Honorable Chair and members of the Board of Supervisors,

I'm sure you will agree that changes to the very complicated Commercial Cannabis industry can have long-term impacts.

1) Extending due dates for cultivation tax:

Presentations made by the Lake County Cannabis Alliance members indicates a number of growers are financially distressed. I am concerned about their ability to pay even with an extension and even more concerned about Lake County recourse for collection.

2) Proposed rate reductions for cultivation tax in 2021 and 2022:

Currently there are a number of bills pending before California legislation that relate to Cannabis. A simple reduction in taxes will not stabilize the market.

The passage of Proposition 64 provided for increased taxes related to Cannabis...drug research, treatment and enforcement, health and safety, youth programs, and funding preventing environmental damage. All of this as a result of increased production, distribution and sale of Cannabis. Legalizing Cannabis has increased need for law enforcement, code enforcement, administrative staffing, and correction of negative environmental impacts just to mention a few.

Would it be prudent to wait for solutions at the State level before making changes at Lake County?

I am requesting that the Board of Supervisors not approve the reduction at this time.

3) Temporary change in taxable area from Cultivation to Canopy area:

Cultivation area includes any activity involving the germinating, cloning, seed production , planting, growing, harvesting, drying, curing, grading or trimming of cannabis plants . (Article 68)

Canopy area, on the other hand, is the area of mature plants. (Article 68)

Cultivation area varies greatly depending on the size of the operation as well as canopy can vary depending on the plant and density.

Changing from "cultivation" to only "canopy" is not that simple and may not be equitable. What would be in place to control growth in the Cultivation area? Cultivation is still very much a part of the business.

I am requesting that the Board of Supervisors not approve this change.

Thank you for considering my input.

Best Regards,

Pamela Kicenski
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